

Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

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IVORY COAST: Houphouet's Strong Hand [REDACTED]

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Summary

Since independence from France in 1960, Ivory Coast has maintained a level of political stability, economic development, and cooperation with the West that is almost without parallel in black Africa. The record is due largely to the pragmatic policies and benevolently authoritarian rule of 77-year-old Felix Houphouet-Boigny, the country's founding father and only president. Politically aware Ivorians, however, are increasingly concerned that Houphouet's unwillingness to name a successor or establish constitutional procedures for selecting one will risk a turbulent transfer of power when he passes from the scene. They worry that a new leader may cope less effectively with growing demands for political liberalization and the stresses resulting from the country's most difficult economic slowdown since independence. [REDACTED]

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Houphouet-Boigny's moderate policies and regional leadership role have made him a valuable supporter of Western initiatives in regional and international forums. He is one of Africa's staunchest anti-Communists and is increasingly concerned with what he views as the threat of Libyan and Soviet expansion in the region. He looks to the West, particularly France and the United States, as the only effective bulwark against radical Arab and Communist encroachment in Africa. [REDACTED]

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Houphouet's Concerns

Although Houphouet appreciates US efforts to counter Soviet and Libyan subversion in Africa, the US Embassy reports that he believes that Washington is morally obligated to do more to strengthen the economies of moderate developing states as their best defense against subversion. In Houphouet's view, more generous US aid and trade programs and more helpful US positions on North-South issues--particularly commodities--would help ease the region's vulnerabilities to economically inspired unrest. He is concerned that regional economic and political instability, especially in neighboring Ghana and Upper Volta, will increase opportunities for Libyan and Soviet inroads. [REDACTED]

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This memorandum was written by [REDACTED] the West and East Africa Division, Office of African and Latin American Analysis. It has been coordinated with the Directorate of Operations and the National Intelligence Officer for Africa. Questions and comments should be addressed to the Chief, West and East Africa Division [REDACTED]

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According to the US Embassy, the only major issue of continuing disagreement between Ivory Coast and the United States is that of commodity pricing and quotas. Abidjan faults the US for not supporting what it considers sufficiently remunerative international agreements for its agricultural exports. Houphouet believes that the free market system cannot operate justly because of the financial dominance and market control of developed countries over LDCs. Ivorians view US restrictions on some imports, such as textiles, and our agricultural price supports as evidence of market dominance. [ ]

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The US Embassy reports that Houphouet once again may be weighing the possibility of resuming diplomatic relations with Israel. Although formal ties were broken in 1973, the Ivorians allow Israel to maintain an interest section in the Belgian Embassy in Abidjan and the two countries have extensive economic and commercial ties, particularly in the construction and agricultural sectors. Despite Houphouet's longstanding sentimental attachment to Israel, he does not support the Begin government's hardline Middle East policies and supports the principle of a Palestinian homeland. Also, Houphouet has proven reluctant in the past to take the lead in renewing ties with Israel, fearing a harsh Arab response and increased Libyan meddling in countries bordering Ivory Coast. [ ]

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Houphouet is generally supportive of US efforts to solve problems in southern Africa. According to the US Embassy, however, he continues to urge that Namibian independence not be linked to Cuban withdrawal from Angola. The Embassy reports that despite Houphouet's emphasis on avoiding any expansion of Soviet influence in southern Africa, most Ivorians would rather accept a radical black regime in Windhoek than see a continuation of white rule. [ ]

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#### Foreign Policy and US Interests

Houphouet is regarded throughout the region as the elder statesman of West Africa. He is the oldest surviving francophone leader and has influence with moderate African heads of state who respect his advice and services as a conciliator. Houphouet has actively encouraged regional cooperation and economic development by supporting the 15-member Economic Community of West African states (ECOWAS) and the Council of the Entente, a loose political and economic union of Abidjan's French-speaking neighbors: Togo, Benin, Upper Volta, and Niger. [ ]

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Houphouet is ardently anti-Communist and suspicious of Libyan, Soviet, and Cuban activities in Africa. According to the US Embassy, Houphouet views Qadhafi as a Soviet surrogate and looks to France and the United States to stem Soviet expansionism and Libyan meddling in the region. In the last year, Ivory Coast has played an active moderating role in the Organization of African Unity. Abidjan's delegation walked out of both abortive OAU summits in Tripoli last year and Houphouet has supported the legitimacy of Chad's Habre government in other African forums. Abidjan does not have official ties with Moscow, Havana, or Tripoli, although early this year diplomatic relations were established with China. [ ]

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The US Embassy reports that US firms are deeply involved in offshore oil development and US businessmen are anxious to gain entree into new Ivorian markets. There are over 100 US companies with offices in Abidjan and US bank exposure is about \$500 million. US investment totals some \$160 million and Washington purchases nearly 10 percent of Abidjan's major exports--coffee, cocoa, and lumber. [redacted]

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### Political Challenges

Ivory Coast's comparative stability has depended on a strong presidential form of government and single party system that serves both as a policymaking forum and as an instrument for overseeing policy implementation. Political opponents have usually been co-opted into the ruling party, which includes all important interest groups. Ethnic rivalries have been held in check by Houphouet's careful allocation of political patronage and key positions among the country's 60 tribes. According to the US Embassy, there are no significant opposition groups within or outside the country at present. [redacted]

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Houphouet's reliance on direct personal dialogue and conciliation of potentially restive elements has helped deter serious unrest and destructive political competition. Last year, the President held a series of public meetings to resolve disputes within the ruling party that arose during the country's first competitive legislative elections, which were held in 1980. According to the US Embassy, many entrenched post-independence political leaders were voted out of office; indeed, the elections were intended to increase the responsiveness of local party leaders and legislators to the needs of the Ivorian people. [redacted]

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[redacted] Houphouet's seeming unwillingness to clarify presidential succession--there are no constitutional procedures for designating a successor should the presidency become vacant--is a subject of growing concern and debate within the political elite. Houphouet, who claims to be 77 but may be several years older, has given no indication of plans to name a successor or retire from office voluntarily. Nor, according to the US Embassy, has he ruled out running for reelection in October 1985 when his current five-year term of office expires. Embassy sources believe Houphouet may be using the time until the next presidential election to identify and build a consensus on a future candidate for the vice-presidency, a post he has left vacant since its creation by constitutional amendment in 1980. The Embassy reports that although Houphouet's passing would risk a power vacuum and a leadership struggle, the Ivorian political elite would probably close ranks behind one of its members as a replacement. We concur with the US Embassy view that the traditionally apolitical and pro-Western military would intervene only in the event of a prolonged succession struggle or if public unrest threatened stability. [redacted]

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### Economic Troubles

The remarkable gains made in Ivory Coast's economy and living standards in the two decades following independence resulted from Houphouet's strategy that stressed economic liberalism and substantial French participation in the development process. Aided by a strong demand for its two major exports, coffee and cocoa, the country became West Africa's economic star, boasting an average 7.5 percent real growth per year and the second highest per capita GDP in black Africa. Economic conditions and prospects began to change in the mid-1970s, however, due to the energy crisis, the slowdown of the world economy, and the drop in demand for tropical products. According to the US Embassy, by the early 1980s the growth rate had fallen by more than two-thirds and unemployment was increasing. Despite adequate levels of oil production to make the country energy self-sufficient, the economy began to contract as Abidjan coped with slower growth, a heavy debt service burden, and continuing global recession. [ ]

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In 1981 the government turned to the IMF for a three-year extended fund facility for assistance to meet foreign financial obligations and boost its sagging international credit rating. In line with IMF strictures, Abidjan was forced to curb government spending and new short-term borrowing. The US Embassy reports that Abidjan restricted wage increases and housing allowances for civil servants, reduced subsidies on gasoline, public transportation, and food, and plans to cut student scholarships. According to the US Embassy, IMF officials are closely monitoring government spending and are pleased with the austere investment budget for 1983. [ ]

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Although the IMF estimates that the economy contracted in 1982 and projects zero real growth in 1983, the US Embassy notes there are some signs of recovery. Abidjan hopes that rising coffee and cocoa prices will help maintain export earnings and that the shrinking current account deficit, due to falling imports and interest rates, will eliminate the need for further private borrowing and a debt rescheduling in 1983. In the long term, however, the key to economic improvement depends on domestic oil development and production (oil company estimates of offshore deposits are around 400 million barrels of recoverable oil) and a rebound in the world oil market to yield additional revenue to meet import costs and heavy external debt servicing. The country's debt service ratio is now 32 percent. [ ]

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Although most Ivorians have accepted economic difficulties stoically, authorities have moved swiftly and firmly to curb occasional outbreaks of discontent. The US Embassy reports that a harsh government response to a teacher's strike in April 1983 demonstrated Abidjan's resolve to implement austerity despite opposition. The government also has sought to divert public attention from economic troubles by proceeding with plans to move the capital from Abidjan to Yamoussoukro, Houphouet's hometown in central Ivory Coast. [ ]

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Ties to France

Paris and Abidjan have maintained a close and mutually profitable relationship since independence. French nationals and business firms are more heavily represented in Ivory Coast than in any other West African country, and France remains Ivory Coast's largest trading partner and aid donor. Some 40,000 French citizens hold key management, technical, and civil service positions. [REDACTED]

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Under a mutual defense agreement, which calls for French intervention at Abidjan's request in the event of a security threat, some 500 French troops are stationed outside the capital. President Mitterrand, a personal friend of Houphouet, reaffirmed France's commitment to Ivory Coast and support for Abidjan's aspirations in the North-South dialogue during his visit last May. We believe Paris will continue to work judiciously behind the scenes to protect substantial French interests in Ivory Coast and to encourage economic recovery, ensure a smooth transfer of power in the post-Houphouet era, and mute external influences hostile to Western interests. [REDACTED]

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